



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 19, 2005

George S. Young
Palladon Iron Corporation
2681 Parleys Way, Suite 204
Salt Lake City, Utah 84109

Subject: Transfer of Notice of Intention, Large Mining Operations from Geneva Steel Corporation to Palladon Iron Corporation, Iron Mountain Mine, M/021/008, Iron County, Utah

Dear Mr. Young:

On April 18, 2005, we received and approved the completed Transfer of Notice of Intention of Large Mining Operations to transfer the Iron Mountain Mine located in Iron County, Utah from Geneva Steel Corporation to Palladon Iron Corporation. The Reclamation Contract and reclamation surety for Palladon Iron Corporation accompanying the transfer form was also received and approved.

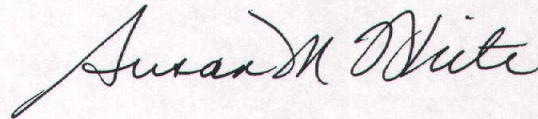
The signed and executed transfer document, dated April 18, 2005, *effectively transfers the responsibility of this mining operation and reclamation to you.* A copy of the stamped and executed transfer form is enclosed for your files. You are now the official party responsible for all mining and reclamation obligations for this project.

Please notify the Division prior to reactivation of your mining operations. Prior to reactivation the Division will require Palladon Iron Corporation to furnish accurate disturbed area maps, surface ownership maps, a map of areas impacted by mining activities not used since 1975, and possibly other information needed to evaluate the status of the land affected. Also, you must satisfy the BLM requirements.

George Young
Page 2 of 2
M/021/008
April 19, 2005

If you have any questions or concerns regarding this letter, please contact me at (801) 538-5258. Best of luck with your new mining venture.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White". The signature is written in dark ink and is positioned above the printed name and title.

Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:jb

Enclosure: Executed Transfer form, Reclamation Contact & Surety bond

cc: Donald G. Foot, Jr., Palladon
Bill Wray, Palladon
Richard Ross, Geneva
Daniel Jensen, Attorney, Geneva
Jim Koehler, BLM, Utah State Office
Opie Abeyta, BLM, Utah State Office

O:\M021-Iron\M0210008-IronMtn\Final\transfer-approve.doc

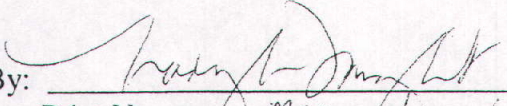
RELEASE

Please be advised that Palladon Iron Corporation ("Palladon") has provided the State of Utah, Division of Oil, Gas and Mining and the U.S.D.I.- Bureau of Land Management ("Obligees") with the New Bond as described in the Bonding and Security Agreement dated April 13, 2005, between, inter alia, Palladon and Travelers Casualty and Surety Company of America (Bond Number 104511468), in replacement of The Mined Land Reclamation Act Surety Bond Number 103540271 (the "Bond") issued on behalf of Geneva Steel Company as principal. Such alternate financial assurance has been accepted by Obligees as sufficient financial assurance in compliance with the Utah Mined Land Reclamation Act and the Reclamation Contract governing the obligation of Palladon to reclaim the Iron Mountain Mine Permit number M/021/008.

Therefore, Obligees do hereby fully, finally and unconditionally release and forever discharge St. Paul Fire and Marine Insurance Company, Travelers Casualty and Surety Company of America and each of their affiliates and subsidiaries (collectively, "St. Paul Travelers") from any and all past, present and future liability by reason of or in connection with the issuance of the Bond (Bond Number 103540271) issued on behalf of the principal Geneva Steel Company. Each of the undersigned individuals signing on behalf of either Obligor further represents and warrants that he or she has the authority to execute this Release on behalf of the Obligor and to bind the Obligor hereunder. In addition, in the event there is any inconsistency between the terms of this Release and any and all other documents, the Obligors hereby agree that the terms of this Release shall control.

DATED this 18th day of April, 2005 to be effective upon the effective date of the alternate financial assurance given by Palladon and accepted by Obligees.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS & MINING

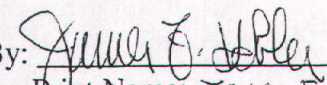
By: 
Print Name: Mary Ann Wright
Its: Acting Director

RECEIVED

APR 18 2005

DIV OF OIL GAS & MINING

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

By: 
Print Name: James F. Kohler
Its: Chief, Branch of Solid Minerals

FORM MR-RC
Revised January 21, 2005
RECLAMATION CONTRACT

File Number M/021/008

Effective Date April 18, 2005

Other Agency File Number _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED

APR 18 2005

RECLAMATION CONTRACT

---ooOoo---

DIV OF OIL GAS & MINING

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

M/021/008

iron ore

"MINE LOCATION":
(Name of Mine)
(Description)

Iron Mountain Mine

Surface mine - standard open
pit mining techniques

"DISTURBED AREA":
(Disturbed Acres)
(Legal Description)

417 acres

(Refer to Attachment A)

"OPERATOR":
(Company or Name)
(Address)

Palladon Iron Corporation

2681 Parleys Way, Suite 204

Salt Lake City, Utah 84109

(Phone)

(801) 556-1015

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

Donald G. Foot, Jr.

1213 Eagle Way

Fruit Heights, Utah 84037

(801) 552-0709

"OPERATOR'S OFFICER(S)" & TITLE:

George S. Young, President & Director

Donald G. Foot, Jr., Director

SURETY":

(Form of Surety - Attachment B)

Surety Bond, Form MR-6

"SURETY COMPANY":

(Name, Policy or Acct. No.)

St. Paul Travelers

"SURETY AMOUNT":

(Escalated Dollars)

\$ 1,299,100

"ESCALATION YEAR":

2003

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Palladon Iron Corporation the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/021/008 which has been approved/accepted by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved/accepted Reclamation Plan or Notice, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Reclamation Plan and/or Notice of Intention approved/accepted by the Division on 26 April 1995. The Reclamation Plan and/or Notice of Intention, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face

amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Palladon Iron Corporation

Operator Name

By George S. Young
Authorized Officer (Typed or Printed)

President

Authorized Officer - Position

George S. Young

Officer's Signature

April 13, 2005
Date

STATE OF Utah)
COUNTY OF Utah) ss:

On the 13th day of April, 2005, George S. Young
personally appeared before me, who being by me duly sworn did say that he/she is the
President of Palladon Iron Corporation and duly acknowledged
that said instrument was signed on behalf of said company by authority of its bylaws or
a resolution of its board of directors and said George S. Young duly
acknowledged to me that said company executed the same.

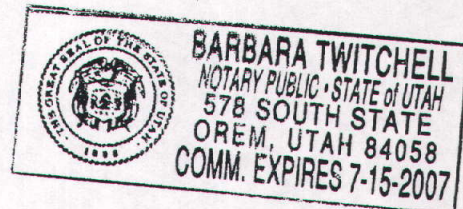
Barbara Twitchell

Notary Public

Residing at Orem, Utah

07-15-07

My Commission Expires:



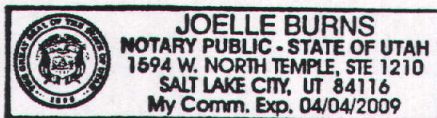
DIVISION OF OIL, GAS AND MINING:

By *Mary Ann Wright*
Mary Ann Wright, Acting Director

Date *April 18, 2005*

STATE OF *Utah*)
COUNTY OF *Salt Lake*) ss:

On the *18th* day of *April*, 20*05*, *Mary Ann Wright*
personally appeared before me, who being duly sworn did say that she, the said
Mary Ann Wright is the Acting Director of the Division of Oil, Gas and
Mining, Department of Natural Resources, State of Utah, and she duly acknowledged to
me that she executed the foregoing document by authority of law on behalf of the State
of Utah.



Joelle Burns
Notary Public
Residing at: *S LC Utah*

April 4, 2009
My Commission Expires:

ATTACHMENT "A"

Palladon Iron Corporation
Operator

M/021/008
Permit Number

Iron Mountain Mine
Mine Name

Iron County, Utah

LEGAL DESCRIPTION

Include 1/4, 1/4, 1/4 sections, townships, ranges and any other descriptions that will legally determine where disturbed lands are located. Attach a topographic map of suitable scale (max. 1 inch = 500 feet; 1 inch = 200 feet or larger scale is preferred) showing township, range and sections and a clear outline of the disturbed area boundaries tied to this Reclamation Contract and surety.

The detailed legal description of lands to be disturbed includes portions of the following lands not to exceed 417 acres under the approved / accepted permit and surety, as reflected on the attached map labeled _____ and dated _____:

The legal description of lands to be disturbed is:

Iron Mountain
NE 1/4 Sec. 2, T37S, R14W

Blackhawk Fines Area
E1/2 SE 1/4 Sec. 34, SW 1/4
Sec. 35, T36S, R14W
NW1/4 Sec. 2, T37S, R14W

Mountain Lion
S1/2 Sec. 19, NW 1/4 Sec. 30
T36S, R13W

Burke Pit
SE 1/4 NE 1/4 Sec. 34, SW 1/4 NW 1/4
Sec. 35, T36S, R14W

Chesapeak & Excellsior
W1/2 SE 1/4, S 1/2 S 1/2 NE 1/4 Sec. 25,
T36S, R14W

Tip Top
E1/2 NW 1/4 Sec. 25, T36S, R14W

UII Comstock Plant Area
W1/2 Sec. 29, E1/2 Sec. 30,
T36S, R13W

Comstock Area
Portions of Sec. 30, T36S, R13S

4/18/05

Appendix
ATTACHMENT B

to

Transfer of Notice of Intention
Large Mine Operations

Legend
Disturbance/Disturbance
Disturbance
NOTE: All other Disturbances (Disturbance, Disturbance, Disturbance) are Disturbances
APPROXIMATE BOUNDARY OF 10,000 ACRES
BOUNDARY OF DISTURBANCE

PROPERTY

AREA: PROCLAIMER
1892

BURKE DIST

PRE-ACT

DUNCAN

BLACKHAWK DIST

PRE-ACT

DUNCAN / Blowout Portion of M/021/005 CFAT DISTURBANCE TO GENERAL

ATTACHMENT B

FORM MR-6
Joint Agency Surety Form
(November 1, 2004)

Bond Number _____
Permit Number M/021/008
Mine Name Iron Mountain
Other Agency File Number _____
Effective Date April 18, 2005

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

THE MINED LAND RECLAMATION ACT

SURETY BOND

RECEIVED

APR 18 2005

DIV OF OIL GAS & MINING

The undersigned Palladon Iron Corporation, as Principal, and Travelers Casualty and Surety Company of America, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) and the U.S.D.I.- Bureau of Land Management, in the penal sum of One Million Two Hundred Ninety Nine Thousand One Hundred and no/100 --- dollars (\$1,299,100.00).

Principal has estimated in the Mining and Reclamation Plan or Notice approved or accepted by the Division of Oil, Gas and Mining on the 26th day of April, 1995, that 417.05 acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved / accepted Mining and Reclamation Plan or Notice and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan or Notice provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Notice, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan or Notice provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Palladon Iron Corporation

Principal (Permittee)

George S. Young President

By (Name and Title typed):

[Signature]

Signature

4-18-05

Date

Surety Company

Travelers Casualty and Surety Company of America
Surety Company Name

1100 East 6600 South, #500
Street Address

S. Murry Mullenax
Surety Company Officer

Salt Lake City, UT 84121
City, State, Zip

Attorney-in-Fact
Title/Position

801-269-5657
Phone Number

[Signature]

Signature

4-18-05

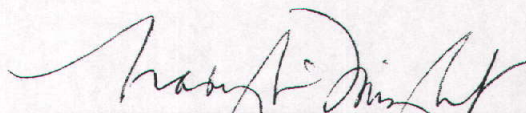
Date

Page 3
MR-6 Joint Agency Surety Bond
Attachment B
(revised November 1, 2004)

Bond Number _____
Permit Number M/021/008
Mine Name Iron Mountain
Other Agency File Number _____
Effective Date April 18, 2005

SO AGREED this 18th day of April, 20 05.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



Mary Ann Wright, Acting Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

On the 18th day of April, 2005, S. Murry Mullenax personally appeared before me, who being by me duly sworn did say that he/she, the said S. Murry Mullenax is the Attorney-in-Fact of Travelers Casualty and Surety Company of America and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said S. Murry Mullenax duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: S. Murry Mullenax
Surety Officer

Title: S. Murry Mullenax, Attorney-in-Fact

STATE OF Utah)
) ss:
COUNTY OF Salt Lake)

Subscribed and sworn to before me this 18th day of April, 2005.



Sylvia Carroll
Notary Public
Residing at: _____

My Commission Expires:

Dec. 20, 2008



IMPORTANT DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002 (the "Act"). The Act establishes a short-term program under which the Federal Government will share in the payment of covered losses caused by certain acts of international terrorism. We are providing you with this notice to inform you of the key features of the Act, and to let you know what effect, if any, the Act will have on your premium.

Under the Act, insurers are required to provide coverage for certain losses caused by international acts of terrorism as defined in the Act. The Act further provides that the Federal Government will pay a share of such losses. Specifically, the Federal Government will pay 90% of the amount of covered losses caused by certain acts of terrorism which is in excess of an insurer's statutorily established deductible for that year. The Act also caps the amount of terrorism-related losses for which the Federal Government or an insurer can be responsible at \$100,000,000,000.00, provided that the insurer has met its deductible.

Please note that passage of the Act does not result in any change in coverage under the attached policy or bond (or the policy or bond being quoted). Please also note that no separate additional premium charge has been made for the terrorism coverage required by the Act. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium, and is no more than one percent of your premium.

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062**

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: **Leonard D. Nielsen, S. Murry Mullenax, Brett Palmer, Sylvia A. Carroll, of Salt Lake City, Utah,** their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY have caused this instrument to be signed by their Senior Vice President and their corporate seals to be hereto affixed this 5th day of April, 2004.


STATE OF CONNECTICUT

} SS. Hartford

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY

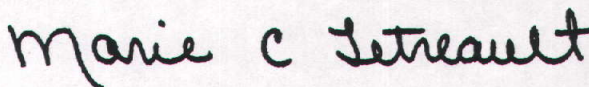
COUNTY OF HARTFORD



By 
George W. Thompson
Senior Vice President

On this 5th day of April, 2004 before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, the corporations described in and which executed the above instrument; that he/she knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; and that he/she executed the said instrument on behalf of the corporations by authority of his/her office under the Standing Resolutions thereof.





My commission expires June 30, 2006 Notary Public
Marie C. Tetreault

CERTIFICATE

I, the undersigned, Assistant Secretary of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, stock corporations of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Boards of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 18th day of April, 2005.



By 
Kori M. Johanson
Assistant Secretary, Bond

SURETY ESTIMATE UPDATE

Geneva Steel

Iron Mountain Mine

FILE # M/021/008

Iron County

Prepared by Utah Division of Oil, Gas & Mining

DATE

7/28/2003

DESCRIPTION:

-Previous reclamation surety estimate was \$1,073,000 in year 2003 dollars
 -Reclamation Estimate base amount calculated in 1995-\$
 -This update adjusts the surety amount for escalation only.
 -On May 19, 2000 a minor amendment was made to plan which was the addition of the the YJ Pit to the reclamation plan. The YJ Pit is a pre-law disturbance which will be reclaimed as a part of a mitigation agreement for disturbances related to the Tiptop and Excelsior Pits. No bond adjustment was necessary due to the fact that the 1995 bond contained an additional surety amount for this work.

-Escalation factors through 2003 are actual Means Historical Cost Indices

-Total disturbed area = 417 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$	1994	0.0321	\$0.00
	1995	0.0193	\$896,055.00
F = Future Sum	1996	0.0242	\$917,739.53
P = Present Sum	1997	0.0236	\$939,398.18
i = Escalation Factor	1998	0.0502	\$986,555.97
n = number of periods	1999	0.0191	\$1,005,399.19
	2000	0.0244	\$1,029,930.93
Three Yr Average = 2.89%	2001	0.0421	\$1,073,291.02
Used to Project 5 Yrs	2002	0.0202	\$1,094,971.50
From the Year 2003	2003	0.0289	\$1,126,616.18
	2004	0.0289	\$1,159,175.39
	2005	0.0289	\$1,192,675.56
	2006	0.0289	\$1,227,143.88
	2007	0.0289	\$1,262,608.34
	2008	0.0289	\$1,299,097.72
Updated Surety Amount Rounded (2008-\$)			\$1,299,100.00

** Average cost per acre = 3028 (\$/ACRE)